



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/08/2012): Rs. 9.7683

August 2012

Performance

Performance % *	August 2012	FYTD Jul 12 - Aug 12	Trailing 12 Months Sep. - Aug 2011 - 2012	Since Launch April 22, 2006
NAFA Income Opportunity Fund	3.54%	6.67%	-0.89%	6.22%
Benchmark	10.97%	11.49%	12.02%	11.75%

* Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee & all other expenses)

General Information

Launch Date: April 22, 2006
Fund Size: Rs. 1,548 million
Type: Open-end – Income Fund
Dealing Days: Daily – Monday to Saturday
Dealing Time: (Mon - Thr) 9:00 A.M to 5:00 P.M
(Friday) 9:00 A.M to 5:30 P.M
(Saturday) 9:00 A.M to 1:00 P.M
Settlement: 2-3 business days
Pricing Mechanism: Forward Pricing
Load: Front end: 0%, Back end: 0%
Management Fee: 1.5% per annum
Risk Profile: Low
Fund Stability Rating: "BBB+(f)" by PACRA
Listing: Lahore Stock Exchange
Custodian & Trustee: Central Depository Company (CDC)
Auditors: KPMG Taseer Hadi & Co.
Chartered Accountants
Benchmark: 6-Month KIBOR
Fund Manager: Hussain Yasar
Minimum Subscription: Growth Unit: Rs. 10,000/-
Income Unit: Rs. 100,000/-
Asset Manager Rating: AM2 by PACRA

Investment Objective

To seek preservation of Capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.

Fund Manager Commentary

The Fund earned an annualized return of around 3.54% during Aug 2012. This is on account of increased provisions in a leasing sector TFC which was restructured lately and a cement sector Sukuk. On the other hand, some of the non-performing TFCs are at an advanced stage of restructuring, which will result in some recoveries in due course of time.

The Fund has high allocation in TFCs which currently stands at around 69.78% of the Net Assets. All TFCs in the Fund are floating rate instruments linked to KIBOR. Weighted average price of the TFC portfolio (excluding TFCs which are fully provided) is Rs. 82.38 against the par value of Rs. 100.

The weighted average Yield to Maturity of the Fund is around 18.40% p.a. and that of the TFC portfolio is 22.98% p.a. The weighted average time to maturity of the Fund is about 1.91 years. The Fund's sector allocation is fairly diversified with exposure to Telecom, Fertilizer, Cement, Financial Services, Banking, and Leisure (Hotel) sub-sectors. However, since TFCs prices may go up and down, therefore, only long-term investors are advised to invest in this Fund.

Details of Non-Compliant Investments

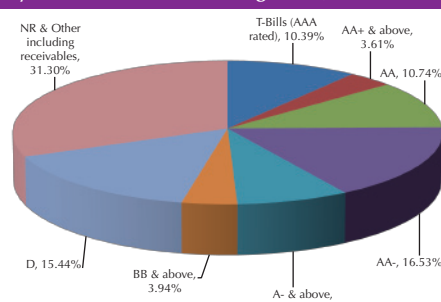
Particulars	Type of Investment	Value of Investments before Provision	Provision held	Value of Investments after Provision	% of Net Assets	% of Gross Assets	Yield to Maturity per annum
BRR Guardian Modaraba***	SUKUK	47,968,750	11,992,188	35,976,563	2.32%	1.77%	25.32%
Escort Investment Bank Limited***	TFC	12,489,900	3,280,397	9,209,503	0.59%	0.45%	18.00%
Kohat Cement Limited (Sukuk)***	SUKUK	75,500,000	19,635,285	55,864,715	3.61%	2.75%	12.01%
Eden Housing (Sukuk II)	SUKUK	24,581,250	8,569,294	16,011,956	1.03%	0.79%	56.25%
World Call Telecom Limited***	TFC	96,370,722	25,580,163	70,790,559	4.57%	3.48%	23.59%
Maple Leaf Cement (Sukuk I)	SUKUK	399,150,000	193,587,750	205,562,250	13.28%	10.12%	45.09%
Pak Elektron Limited (Sukuk)	SUKUK	51,428,571	19,886,606	31,541,965	2.04%	1.55%	10.84%
Saudi Pak Leasing	TFC	49,428,420	24,714,210	24,714,210	1.60%	1.22%	28.69%
Agritech Limited I	TFC	149,860,200	149,860,200	-	n/a	n/a	n/a
Agritech Limited V	TFC	32,320,000	32,320,000	-	n/a	n/a	n/a
Azgard Nine Limited (PPTFC)	TFC	249,800,000	249,800,000	-	n/a	n/a	n/a
Dewan Cement Limited	TFC	150,000,000	150,000,000	-	n/a	n/a	n/a
Gharibwal Cement Limited (PPTFC)	TFC	24,355,500	24,355,500	-	n/a	n/a	n/a
Maple Leaf Cement (Sukuk II)	SUKUK	15,000,000	15,000,000	-	n/a	n/a	n/a
New Allied Electronics (PPTFC)	TFC	31,706,536	31,706,536	-	n/a	n/a	n/a
New Allied Electronics (Sukuk II)	SUKUK	44,148,934	44,148,934	-	n/a	n/a	n/a
PACE Pakistan Limited	TFC	149,820,000	149,820,000	-	n/a	n/a	n/a
Total		1,603,928,783	1,154,257,063	449,671,720	29.04%	22.13%	

***Book Value, performing but below authorized minimum credit rating grade.

Excess / (Short) exposures

Particulars	Exposure Type	% of Net Assets	Limit	Excess / (Shortfall)
Engro Fertilizer Limited (PPTFC)	Per Party	10.77%	10.00%	0.77%
Maple Leaf Cement (Sukuk I)	Per Party	13.28%	10.00%	3.28%
Pakistan Mobile Communication (Listed II)	Per Party	10.85%	10.00%	0.85%
Cash and Cash Equivalents	Cash Balance	24.01%	25.00%	(0.99)%

Credit Quality of the Portfolio as of August 31, 2012 (% of Total Assets)



WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 13,041,362/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0823/0.84%. For details investors are advised to read note 7 of the latest Financial Statement of the Scheme for the period ended March 31, 2012.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Ahmad Nouman, CFA
Tanvir Abid, CFA, FRM
Hussain Yasar

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